recognition of an appointees' special qualifications.

(c) An agency shall make a new appointment at a step-rate above the minimum rate of a grade if the lead agency for the wage area has designated, in accordance with §532.249, a step-rate above the first step-rate of a grade as the minimum step-rate at which a position may be filled.

[46 FR 21344, Apr. 10, 1981, as amended at 58 FR 32274, June 9, 1993]

§532.405 Use of highest previous rate.

- (a)(1) Subject to the provisions of §532.407 of this subpart and part 536 of this chapter, when an employee is reemployed, reassigned, transferred, promoted, or changed to a lower grade, the agency may fix the pay at any rate of the new grade which does not exceed the employee's highest previous rate.
- (2) However, if the employee's highest previous rate falls between two step-rates of the new grade, the agency may fix the pay at the higher of the two.
- (b)(1) When an employee's type of appointment is changed in the same job, an agency may continue to pay the existing scheduled rate or may pay any higher rate of the grade which does not exceed the employee's highest previous rate.
- (2) However, if the highest previous rate falls between two step rates of the grade, the agency may pay the higher rate.
- (c)(1) The highest previous rate, if earned in a wage job, is the current rate of the grade and step-rate of the former job on the same type of wage schedule in the wage area in which the employee is being employed, or the actual earned rate, whichever is higher.
- (2) If earned on a General Schedule or another pay system other than the Federal Wage System, it is the current rate for the same grade and rate of that schedule.
- (d) The highest previous rate may be based upon a rate of pay received during a temporary promotion, so long as the temporary promotion is for a period of not less than 1 year. This limitation does not apply upon permanent

placement in a position at the same or higher grade.

[46 FR 21344, Apr. 10, 1981, as amended at 60 FR 62701, Dec. 7, 1995]

§532.407 Promotion.

- (a) An employee who is promoted is entitled to be paid at the lowest scheduled rate of the grade to which promoted which exceeds the employee's existing scheduled rate of pay by at least four percent of the representative rate of the grade from which promoted.
- (b) If there is no rate in the grade to which an employee is promoted which meets the requirement of paragraph (a) of this section the employee shall be entitled to the higher of: (1) the existing scheduled rate of pay in accordance with part 536 of this chapter; or (2) the maximum scheduled rate of the grade to which promoted.
- (c) If the promotion is to a position in a different wage area, the agency shall determine the employee's pay entitlement as if there were two pay actions—a promotion and a reassignment—and shall process them in the order which gives the employee the maximum benefit.

§ 532.409 Grading or regrading of positions

Except as provided in §532.703(b)(10), a change in an employee's rate of basic pay as a result of the grading or regrading of the employee's position shall be effective on the date the grading or regrading action is finally approved by the agency or on a subsequent specifically stated date.

§ 532.411 Details.

An appropriated fund employee detailed to a position other than the position to which appointed shall be paid at the rate of the position to which appointed.

§532.413 Simultaneous action.

- (a) If an employee becomes entitled to more than one pay change at the same time, the employing agency shall process the pay changes in the order which will provide the maximum benefit, except as required by paragraph (b) of this section.
- (b) If an employee becomes entitled to an increase in pay and subject to a

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personnel or appointment change at the same time, the increased rate of pay is deemed to be the employee's existing scheduled rate of pay when the personnel or appointment change is processed.

§ 532.415 Application of new or revised wage schedules.

- (a) The head of each installation or activity in a wage area shall place new or revised wage schedules into effect at the beginning of the first full shift on the date specified on the schedule by the lead agency.
- (b) No agency may retroactively change any personnel or pay actions taken between the effective date of a new or revised wage schedule and the date it is actually put into effect if the personnel or pay actions taken during this period of time are more advantageous to an employee than the same personnel or pay action would have been had the new or revised wage schedule been placed into effect on the date specified by the lead agency.
- (c) In applying a new or revised wage schedule, the scheduled rate of pay of an employee paid at one of the steps of the employee's grade on an old wage schedule shall be adjusted upward to the newly adjusted rate for the same numerical step of the grade whenever there is an increase in rates. Except when there is a decrease in wage rates because of a statutory reduction in scheduled rates, the employee is entitled to pay retention as provided in 5 CFR 536.301(a)(8).

 $[46\ {\rm FR}\ 21344,\ {\rm Apr.}\ 10,\ 1981,\ {\rm as}\ {\rm amended}\ {\rm at}\ 60\ {\rm FR}\ 62701,\ {\rm Dec.}\ 7,\ 1995;\ 70\ {\rm FR}\ 31305,\ {\rm May}\ 31,\ 2005]$

§532.417 Within-grade increases.

- (a) An employee paid under a regular Federal Wage System schedule with a work performance rating of satisfactory or better shall advance automatically to the next higher step within the grade in accordance with section 5343(e)(2) of title 5, United States Code.
- (b) Waiting periods for within-grade increases shall begin:
- (1) On the first day of a new appointment as an employee subject to this part:
- (2) On the first day of a period of service after a break in service or time

in a nonppay status in excess of 52 weeks; or

- (3) On receipt of an equivalent increase.
- (c) Creditable service. The following periods of time shall be considered creditable service for purposes of waiting periods for within-grade increases:
- (1) Time during which an employee is in receipt of pay, including periods of leave with pay;
- (2) Time during which an employee with a prearranged regular scheduled tour of duty is in a nonpay status to the extent that the time in a nonpay status does not exceed, in the aggregate:
- (i) One workweek in the waiting period for step 2;
- (ii) Three workweeks in the waiting period for step 3; or
- (iii) Four workweeks in the waiting period for steps 4 and 5;
- (3) Time during which an employee or former employee is on leave of absence or is separated from Federal service and is entitled to continuation of pay or compensation under subchapter I of chapter 81 of title 5, United States Code. This does not apply to prevailing rate employees within a Department of Defense or Coast Guard non-appropriated fund instrumentality;
 - (4) A period of military service when:
- (i) An employee is on leave of absence to perform such service and returns to pay status through the exercise of a restoration right provided by law, Executive order, or regulation; or
- (ii) A former employee is reemployed with the Federal Service not later than 52 calendar weeks after separation from such service or hospitalization continuing thereafter for a period of not more than one year. Military service means honorable active service in the Armed Forces, in the Regular or Reserve Corps of the Public Health Service after June 30, 1960, or as a commissioned officer of the Environmental Science Services Administration after June 30, 1961, but does not include service in the National Guard, except when ordered to active duty in the service of the United States.
- (5) The time between an employee's separation from an earlier position and the date of the employee's return to a civilian position through the exercise